

REFERENCE TITLE: property tax exemption; health care

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2175

Introduced by
Representatives Huffman, Hershberger: Nelson

AN ACT

AMENDING SECTION 42-11105, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-11105, Arizona Revised Statutes, is amended to
3 read:

4 42-11105. Exemption for health care property

5 A. Hospitals for the relief of the indigent or afflicted, appurtenant
6 land and their fixtures and equipment are exempt from taxation if they are
7 not used or held for profit.

8 B. Property that is used to operate a health care institution that
9 provides medical, nursing or health related services to persons who are
10 handicapped or sixty-two years of age or older is exempt from taxation if the
11 property is not used or held for profit.

12 C. Qualifying community health centers as defined in section
13 36-2907.06, subsection H, appurtenant land and their fixtures and equipment
14 are exempt from taxation if they are not used or held for profit.

15 D. PROPERTY THAT IS LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN
16 EIGHT HUNDRED THOUSAND BUT LESS THAN TWO MILLION PERSONS, OWNED BY A HEALTH
17 CARE PROVIDER, RECOGNIZED UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE
18 CODE AND ORGANIZED AS A NONPROFIT CORPORATION IS EXEMPT FROM TAXATION IF THE
19 PROPERTY IS USED TO PROVIDE HEALTH CARE SERVICES AND THE PROPERTY IS NOT USED
20 OR HELD FOR PROFIT. AN EXEMPTION UNDER THIS SUBSECTION INCLUDES ALL
21 BUILDINGS, APPURtenant LAND, FIXTURES, EQUIPMENT AND OTHER REASONABLY
22 REQUIRED PROPERTY, INCLUDING PROPERTY USED FOR THE ADMINISTRATION OF
23 SERVICES. FOR THE PURPOSES OF THIS SUBSECTION, "HEALTH CARE PROVIDER" MEANS
24 A HEALTH CARE INSTITUTION AS DEFINED IN TITLE 36 OR AN ENTITY THAT DIRECTLY
25 PROVIDES HEALTH CARE SERVICES TO PATIENTS THROUGH HEALTH CARE PROVIDERS WHO
26 ARE LICENSED PURSUANT TO TITLE 32.

27 Sec. 2. Retroactivity

28 This act applies retroactively to property tax years beginning from and
29 after December 31, 1999.

30 Sec. 3. Refund of taxes already paid

31 A. A county board of supervisors shall direct the county treasurer to:

32 1. Grant a refund of all taxes, penalties and interest paid for tax
33 years 2000 through 2005 by any health care provider organization on property
34 that qualifies for exemption under section 42-11105, subsection D, Arizona
35 Revised Statutes, as amended by this act.

36 2. Reimburse the organization for any attorney fees and court costs
37 incurred in contesting the imposition of the taxes subject to refund under
38 paragraph 1.

39 B. The organization must submit a claim for refund and reimbursement
40 to the county treasurer after the effective date of this act, and the
41 treasurer shall pay the claim after it is submitted. The treasurer is
42 entitled to credit for the refund in the next accounting with each taxing
43 jurisdiction to which the treasurer originally transmitted the overpayment.